

**Charter Township of Oakland**

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**Financial Statements**  
Year Ended March 31, 2005

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Charter Township of Oakland</b>	County <b>Oakland</b>
Audit Date <b>3/31/05</b>	Opinion Date <b>6/16/05</b>	Date Accountant Report Submitted to State: <b>9/30/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>BDO Seidman, LLP</b>			
Street Address <b>755 West Big Beaver Road, Suite 1900</b>	City <b>Troy</b>	State <b>MI</b>	ZIP <b>48084</b>
Accountant Signature		Date	

# Charter Township of Oakland

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## Independent Auditors' Report

Township Board  
Charter Township of Oakland

We have audited the accompanying financial statements of the governmental activities, business-type activity, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Charter Township of Oakland ("the Township") as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Charter Township of Oakland as of March 31, 2005, and the respective changes in financial position and its cash flows of its proprietary fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 14 to the financial statements, the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as of April 1, 2004. This results in a change in form and content of the financial statements.

Management's Discussion and Analysis and the budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standard Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*BDO Seidman, LLP*

June 16, 2005

# Charter Township of Oakland

## Management's Discussion and Analysis

### *Overview of the Financial Statements*

Oakland Township's 2005 annual report follows a different format than in previous years. This annual report consists of three parts - management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Township. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Township's government, reporting the Township's operations in more detail than the government-wide statements.

### *Government – Wide Statements*

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets, liabilities and net assets at the end of the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide financial statements report the Township's net assets and how they have changed during the year. Net assets, the difference between the Township's assets and liabilities, are one way to measure the Township's financial health or position.

The government-wide financial statements of the Township are divided into three categories:

- **Governmental Activities** - Most of the Township's basic services are included here, such as the police, fire, building, Older Persons' Commission and general administration. Property taxes, state-shared revenue, charges for services, and operating millage provide most of the funding.
- **Business-Type Activities** - The Township charges fees to customers to help it cover the cost of services it provides.
- **Component Units** - The Township has two Component Units, the Parks Commission and the Library Board. Although separate, these "component units" are important because the Township is financially accountable.

# Charter Township of Oakland

## Management's Discussion and Analysis

### *Fund Financial Statements*

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and bond covenants. The Township Board establishes other funds to control and manage money for particular purposes.

The Township has three kinds of funds:

- Governmental Funds - Most of the Township's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Examples of Government Funds are General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.
- Proprietary Funds - Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide statements, provide both long- and short-term financial information. The Sewer Fund is the Township's proprietary fund.
- Fiduciary Funds - The Township is responsible for ensuring that the assets reported in these funds are for their intended purposes. All of the Township's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance operations. Trust and Agency and the Tax Collection Fund are fiduciary funds.

### *Financial Overview*

The primary government of Oakland Township has combined net assets of \$23.9 million. Business-type activities comprise \$12.2 million, and governmental activities make up \$11.7 million of the total net assets. Comparative data is not required during the first year of reporting under requirements of Government Accounting Standards Board ("GASB") 34, and therefore, a comparative statement of net assets and statement of activities are not part of the management's discussion and analysis. Future reports will provide comparative data for the statement of net assets and the statement of activities.

# Charter Township of Oakland

## Management's Discussion and Analysis

In a condensed format, the table below shows net assets as of March 31, 2005 (in thousands of dollars):

	<i>Governmental Activities</i>	<i>Business Type Activities</i>	<i>Total</i>
Current assets	\$ 10,312	\$ 8,364	\$ 18,676
Non-current assets			
Capital assets	8,728	7,888	16,616
Shared road improvements	556	-	556
<b>Total Assets</b>	<b>19,596</b>	<b>16,252</b>	<b>35,848</b>
Current liabilities	840	273	1,113
Long-term liabilities	7,055	3,789	10,844
<b>Total Liabilities</b>	<b>7,895</b>	<b>4,062</b>	<b>11,957</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	1,673	7,724	9,397
Restricted	1,412	122	1,534
Unrestricted	8,616	4,344	12,960
<b>Total Net Assets</b>	<b>\$ 11,701</b>	<b>\$ 2,190</b>	<b>\$ 23,891</b>

The following table shows the changes in net assets for 2005 (in thousands of dollars):

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 1,037	\$ 378	\$ 1,415
Operating grants and contributions	40	-	40
Capital grants and contributions	1,605	-	1,605
General revenues:			
Tax revenues	4,507	-	4,507
Intergovernmental revenue	884	-	884
Operating transfers in	223	-	223
Other revenue	79	-	79
Gain on sale of fixed assets	16	-	16
Unrestricted investment earnings	180	142	322
<b>Total Revenues</b>	<b>8,571</b>	<b>520</b>	<b>9,091</b>

# Charter Township of Oakland

## Management's Discussion and Analysis

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
<b>Expenses</b>			
Legislative	\$ 219	\$ -	\$ 219
General government	990	-	990
Planning	122	-	122
Public works	74	-	74
Culture and recreation	250	-	250
Preservation	59	-	59
Health and welfare	133	-	133
Police services	1,669	-	1,669
Fire services	977	-	977
Building department	486	-	486
Other	554	-	554
Interest and fiscal charges	364	2	366
Sewer maintenance and operations	-	511	511
<b>Total Expenses</b>	<b>5,897</b>	<b>513</b>	<b>6,410</b>
<b>Change in Net Assets</b>	<b>\$ 2,674</b>	<b>\$ 7</b>	<b>\$ 2,681</b>

### *Government Activities*

Net assets for the governmental activities totaled \$11.7 million at March 31, 2005. Of this amount, \$8.6 million is unrestricted and will be used to fund the future operations of the Township. Restricted net assets of \$1.4 million primarily represents funds restricted for the costs of building department related activities. Net assets invested in capital assets, net of related debt represents the net book value of capital assets at March 31, 2005 less the debt used to finance the acquisition of those capital assets. At March 31, 2005, this amounted to \$1.7 million.

Revenues for the governmental activities totaled \$8.6 million in 2005. A total of \$4.5 million was in the form of property tax collections, which was an increase over the last year. This increase reflects a significant growth in taxable value of approximately \$135 million, or 14%. State-shared revenues continue to be of concern. While they provided approximately \$900,000 in 2005, almost all of the statutory allocation has been cut, and this revenue amount should be stabilized over the near term. Charges for services, primarily relating to inspections, and other miscellaneous fees, generated \$1.0 million. During 2005, the Township received a donation of land and a building (the Paint Creek Cider Mill Restaurant). The fair value of the land and building at the date of the donation was \$1.6 million.

# Charter Township of Oakland

## Management's Discussion and Analysis

During the year ended March 31, 2005, the governmental activities experienced an increase in net assets of \$2.7 million. The increase was mainly the result of the \$1.6 million donation of the Paint Creek Cider Mill Restaurant coupled with the fact that approximately \$.6 million of expenditures in the governmental funds were capitalized as shared road improvements during the year.

### *Business-Type Activities*

Oakland Township has one business-type activity which is the Sewer Fund. Net assets for the sewer fund totaled \$12.2 million at March 31, 2005. Of this amount, \$4.3 million is unrestricted and will be used to fund the future operations of the Sewer Fund. Net assets invested in capital assets, net of related debt represents the net book value of capital assets at March 31, 2005 less the debt used to finance the acquisition of those capital assets. At March 31, 2005, this amounted to \$7.7 million.

The Sewer Fund earned total revenues of \$520,000, which is made up mostly of sewer capital charges, lateral benefit charges and interest income on investments. The Sewer Fund incurred total expenses of \$513,000 which is comprised mainly of refunds of sewer tap fees paid in the current year plus depreciation expense on capital assets.

### *Governmental Funds*

During the year, the Township's Governmental Funds increased by 6.3% (a total of \$565,984). The majority of this increase was made up of the General Fund, Fire Special Revenue Fund and Police Special Revenue Fund increases of \$181,000, \$100,000 and \$275,000, respectively. Of the total Fund Balance of \$9,543,636 in the Governmental Funds, approximately \$1.4 million is reserved primarily for the cost of building department activities and approximately \$1.2 million is designated mainly for township, road and bike path improvements.

All Township funds have adequate fund balances for their respective uses. The Fire Fund has a temporary operational subsidy from the General Fund for the expanded EMS operation. The Fire millage renewal and roll-up to the full 1.0 mil in 2008 with the associated community growth should make that fund self sufficient.

### *Component Units*

The Parks Commission fund balance is mostly earmarked for specific pending purchases and projects.

### *Current Economic Events*

Oakland Township continues to experience good growth in the community. This is seen in a continually strong housing market. Our state equalized value (SEV) is now \$1,428,779,745 which is \$246,846,325 more than our taxable value (TV). This is significant because taxes are based on taxable value, not SEV.

# Charter Township of Oakland

## Management's Discussion and Analysis

The Township continues to look for opportunities for purchasing land for public use. The Parks Commission has been vigilant in pursuing opportunities with the Land Preservation millage that was passed in 2000, and leveraging those opportunities with available grants.

### *General Fund Budgetary Highlights*

The amended budget differed from the originally adopted budget mainly for the following reasons:

- Reclassifications within the budget of certain line items.
- Certain capital projects were budgeted to be completed in the current year but were not.
- Property tax revenues numbers used in the original budget are estimates based on prior TV's. When the TV number becomes available, the property tax revenue numbers are adjusted to reflect actual TV.

The amended budget differed from actual results mainly due to certain capital projects that were budgeted for, but were not completed in the current year.

### *Capital Assets and Other*

As a result of GASB 34 implementation, the Township began recording its capital assets, net of accumulated depreciation. These assets have been recorded in the Governmental Activities and Component Units section of the Statement of Net Assets. During 2005, the Township restated its Sewer Fund to include certain Sewer Line capital assets.

The Township accepted a donation of the Paint Creek Cider Mill Restaurant during 2005. The fair value of the land and building associated with the donation amounted to approximately \$1.6 million. Construction and adaptive reuse of the structure will be ongoing projects that will be paid from capital expenditures in the fiscal year in which those improvements will be undertaken. No long-term debt is planned to be issued to fund the improvements.

During 2005, the Township entered into a cost participation agreement with Oakland County which calls for the Township to share in the improvement of certain roads owned by the County which run through the Township's limits. During the year, the Township contributed approximately \$.6 million for these improvements. These costs have been included as shared road improvements on the statement of net assets.

### *Contact Us*

This report is intended to aid our residents and other interested parties in understanding Oakland Township's financial condition. Should you have further questions, please contact the Township Manager at the Township Hall.

**Government-Wide  
Financial Statements**

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# Charter Township of Oakland

## Statement of Net Assets

March 31, 2005	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 6,058,511	\$ 4,365,609	\$ 10,424,120	\$ 3,177,213
Investments	3,993,333	3,991,112	7,984,445	-
Receivables				
Delinquent taxes receivable	247,979	6,514	254,493	115,984
Tap-in fees – current portion	-	454	454	-
Special assessments	14	-	14	-
Due from component units	11,897	-	11,897	-
Capital assets not being depreciated	712,173	-	712,173	8,036,143
Capital assets, net of accumulated depreciation	8,015,885	7,887,506	15,903,391	1,031,377
Shared road improvements	556,213	-	556,213	-
Shared trailways, net of accumulated amortization	-	-	-	156,052
Other	-	970	970	-
<b>Total Assets</b>	<b>\$ 19,596,005</b>	<b>\$ 16,252,165</b>	<b>\$ 35,848,170</b>	<b>\$ 12,516,769</b>
<b>Liabilities</b>				
Accounts payable	\$ 327,914	\$ 109,690	\$ 437,604	\$ 8,870
Accrued vacation	68,982	-	68,982	10,924
Accrued wages	52,448	-	52,448	4,543
Accrued interest	71,814	-	71,814	15,654
Performance bonds and deposits payable	226,445	-	226,445	-
Deferred revenue	27,127	3,788,940	3,816,067	-
Due to General Fund	-	-	-	11,897
Due to Older Persons' Commission	65,110	-	65,110	-
Due to other taxing units	72	163,591	163,663	-
Noncurrent liabilities				
Due within one year	355,000	-	355,000	170,000
Due in more than one year	6,700,000	-	6,700,000	1,830,000
<b>Total Liabilities</b>	<b>7,894,912</b>	<b>4,062,221</b>	<b>11,957,133</b>	<b>2,051,888</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	1,673,058	7,723,915	9,396,973	7,067,520
Restricted for				
Sewer extensions	-	122,406	122,406	-
Contractual obligations	9	-	9	-
Debt service	43,374	-	43,374	-
Building department	1,368,973	-	1,368,973	-
Unrestricted	8,615,679	4,343,623	12,959,302	3,397,361
<b>Total Net Assets</b>	<b>11,701,093</b>	<b>12,189,944</b>	<b>23,891,037</b>	<b>10,464,881</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 19,596,005</b>	<b>\$ 16,252,165</b>	<b>\$ 35,848,170</b>	<b>\$ 12,516,769</b>

*See accompanying notes to financial statements.*

# Charter Township of Oakland

## Statement of Activities

Year Ended March 31, 2005	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
Legislative	\$ 219,060	\$ -	\$ -	\$ -	\$ (219,060)	\$ -	\$ (219,060)	\$ -
General government	989,705	267,336	39,660	-	(682,709)	-	(682,709)	-
Planning	121,993	-	-	-	(121,993)	-	(121,993)	-
Public works	73,840	-	-	-	(73,840)	-	(73,840)	-
Cultural and recreation	250,117	-	-	1,605,084	1,354,967	-	1,354,967	-
Preservation	59,220	-	-	-	(59,220)	-	(59,220)	-
Health and welfare	133,006	-	-	-	(133,006)	-	(133,006)	-
Police services	1,669,563	-	-	-	(1,669,563)	-	(1,669,563)	-
Fire services	976,714	24,539	500	-	(951,675)	-	(951,675)	-
Building department	486,198	744,481	-	-	258,283	-	258,283	-
Other	553,523	-	-	-	(553,523)	-	(553,523)	-
Interest and fiscal charges	364,007	-	-	-	(364,007)	-	(364,007)	-
<b>Total Governmental Activities</b>	<b>5,896,946</b>	<b>1,036,356</b>	<b>40,160</b>	<b>1,605,084</b>	<b>(3,215,346)</b>	<b>-</b>	<b>(3,215,346)</b>	<b>-</b>
<b>Business-Type Activities</b>								
Sewer operations and maintenance	511,183	378,351	-	-	-	(132,832)	(132,832)	-
Interest and fiscal charges	2,009	-	-	-	-	(2,009)	(2,009)	-
<b>Total Business-Type Activities</b>	<b>513,192</b>	<b>378,351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(134,841)</b>	<b>(134,841)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 6,410,138</b>	<b>\$ 1,414,707</b>	<b>\$ 40,160</b>	<b>\$ 1,605,084</b>	<b>\$ (3,215,346)</b>	<b>\$ (134,841)</b>	<b>\$ (3,350,187)</b>	<b>\$ -</b>
<b>Component Units</b>								
Park Commission	\$ 671,248	\$ 3,275	\$ 200,540	\$ -	\$ -	\$ -	\$ -	\$ (467,433)
Library Board	617,283	-	-	-	-	-	-	(617,283)
<b>Total Component Units</b>	<b>1,288,531</b>	<b>3,275</b>	<b>200,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,084,716)</b>
<b>General Revenues</b>								
Tax revenues					4,507,328	-	4,507,328	2,110,656
Intergovernmental revenues					883,611	-	883,611	-
Operating transfers					222,918	-	222,918	(222,918)
Other revenues					79,132	-	79,132	33,480
Gain on sale of fixed assets					15,848	-	15,848	-
Unrestricted investment earnings					180,411	141,824	322,235	27,197
<b>Total General Revenues</b>					<b>5,889,248</b>	<b>141,824</b>	<b>6,031,072</b>	<b>1,948,415</b>
<b>Changes in Net Assets</b>					<b>2,673,902</b>	<b>6,983</b>	<b>2,680,885</b>	<b>863,699</b>
<b>Net Assets, beginning of year</b>					<b>9,027,191</b>	<b>12,182,961</b>	<b>21,210,152</b>	<b>9,601,182</b>
<b>Net Assets, end of year</b>					<b>\$ 11,701,093</b>	<b>\$ 12,189,944</b>	<b>\$ 23,891,037</b>	<b>\$ 10,464,881</b>

*See accompanying notes to financial statements.*

# Charter Township of Oakland

## Balance Sheet - Governmental Funds March 31, 2005

Assets, Liabilities and Fund Balances	Major Governmental Funds					Other Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Older Persons' Commission	Fire	Police	Building		
<b>Assets</b>							
Cash and cash equivalents	\$ 2,922,892	\$ 46,294	\$ 705,678	\$ 1,675,961	\$ 288,233	\$ 419,453	\$ 6,058,511
Investments	2,620,523	-	-	-	1,372,810	-	3,993,333
Receivables							
Delinquent taxes receivable	52,943	24,963	56,542	106,472	-	7,059	247,979
Special assessments	14	-	-	-	-	-	14
Due from primary government funds	63,142	-	190,742	-	-	-	253,884
Due from component units	11,672	-	-	225	-	-	11,897
<b>Total Assets</b>	<b>\$ 5,671,186</b>	<b>\$ 71,257</b>	<b>\$ 952,962</b>	<b>\$ 1,782,658</b>	<b>\$ 1,661,043</b>	<b>\$ 426,512</b>	<b>\$ 10,565,618</b>
<b>Liabilities</b>							
Accounts payable	\$ 153,867	\$ -	\$ 28,236	\$ 125,709	\$ 19,285	\$ 817	\$ 327,914
Accrued vacation	20,816	-	16,502	-	31,664	-	68,982
Accrued wages	19,294	-	20,462	-	11,698	994	52,448
Performance bonds and deposits payable	32,945	-	-	-	193,500	-	226,445
Deferred revenue	27,127	-	-	-	-	-	27,127
Due to primary government funds	190,742	-	25,990	329	35,923	900	253,884
Due to Older Persons' Commission	-	65,110	-	-	-	-	65,110
Due to other taxing units	72	-	-	-	-	-	72
<b>Total Liabilities</b>	<b>444,863</b>	<b>65,110</b>	<b>91,190</b>	<b>126,038</b>	<b>292,070</b>	<b>2,711</b>	<b>1,021,982</b>
<b>Fund Balances</b>							
Reserved							
Contractual obligations	-	-	-	-	-	9	9
Debt service	-	-	-	-	-	43,374	43,374
Building Department	-	-	-	-	1,368,973	-	1,368,973
Unreserved							
Designated	1,056,097	-	68,510	21,896	-	-	1,146,503
Undesignated	4,170,226	6,147	793,262	1,634,724	-	380,418	6,984,777
<b>Total Fund Balances</b>	<b>5,226,323</b>	<b>6,147</b>	<b>861,772</b>	<b>1,656,620</b>	<b>1,368,973</b>	<b>423,801</b>	<b>9,543,636</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,671,186</b>	<b>\$ 71,257</b>	<b>\$ 952,962</b>	<b>\$ 1,782,658</b>	<b>\$ 1,661,043</b>	<b>\$ 426,512</b>	<b>\$ 10,565,618</b>

*See accompanying notes to financial statements.*

# Charter Township of Oakland

## Reconciliation of Governmental Fund Balances to Governmental Net Assets

<i>March 31,</i>	<b>2005</b>
<b>Total Fund Balances - total governmental funds</b>	<b>\$ 9,543,636</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Capital assets, at cost	11,458,618
Accumulated depreciation	(2,730,560)
Shared road improvements are reported as an intangible asset in the statement of net assets but are reported as expenditures in the funds	556,213
Bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(7,055,000)
Accrued interest on bonds is not included as a liability in governmental funds	(71,814)
<b>Net Assets of Governmental Activities</b>	<b>\$ 11,701,093</b>

*See accompanying notes to financial statements.*

	<i>Major Governmental Funds</i>			
	<i>General</i>	<i>Older Persons' Compensation</i>	<i>Fire</i>	<i>Police</i>
<b>Revenues</b>				
Tax revenues	\$ 974,637	\$ 438,047	\$ 1,028,818	\$ 1,937,386
Intergovernmental revenues	930,132	-	-	-
Charges for services	267,336	-	-	-
Other revenues	182,073	1,011	52,162	15,756
<b>Total Revenues</b>	<b>2,354,178</b>	<b>439,058</b>	<b>1,080,980</b>	<b>1,953,142</b>
<b>Expenditures</b>				
Current				
Legislative	219,060	-	-	-
General government	735,221	913	57,494	7,011
Planning	121,993	-	-	-
Public works	630,053	-	-	-
Culture and recreation	-	250,117	-	-
Preservation	-	-	-	-
Health and welfare	133,006	-	-	-
Police services	-	-	-	1,669,373
Fire services	-	-	695,072	-
Building department	-	-	-	-
Other functions	133,105	-	-	-
Capital outlay	9,797	-	60,151	1,712
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<b>1,982,235</b>	<b>251,030</b>	<b>812,717</b>	<b>1,678,096</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>371,943</b>	<b>188,028</b>	<b>268,263</b>	<b>275,046</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	-	190,742	-
Operating transfers out	(190,742)	(181,881)	(359,005)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(190,742)</b>	<b>(181,881)</b>	<b>(168,263)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>181,201</b>	<b>6,147</b>	<b>100,000</b>	<b>275,046</b>
<b>Fund Balances, April 1</b>	<b>5,045,122</b>	<b>-</b>	<b>761,772</b>	<b>1,381,574</b>
<b>Fund Balances, March 31</b>	<b>\$ 5,226,323</b>	<b>\$ 6,147</b>	<b>\$ 861,772</b>	<b>\$ 1,656,620</b>

# Charter Township of Oakland

## Statement of Revenues, Expenditures and Changes in Fund Balances Year Ended March 31, 2005

<u>Major Governmental Funds</u> <i>Building</i>	<i>Other Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
\$ -	\$ 128,440	\$ 4,507,328
-	-	930,132
744,481	-	1,011,817
40,163	5,056	296,221
784,644	133,496	6,745,498
-	-	219,060
-	23,544	824,183
-	-	121,993
-	-	630,053
-	-	250,117
-	37,816	37,816
-	-	133,006
-	-	1,669,373
-	-	695,072
480,024	-	480,024
330,634	-	463,739
12,351	30,181	114,192
-	395,000	395,000
-	368,804	368,804
823,009	855,345	6,402,432
(38,365)	(721,849)	343,066
-	763,804	954,546
-	-	(731,628)
-	763,804	222,918
(38,365)	41,955	565,984
1,407,338	381,846	8,977,652
\$ 1,368,973	\$ 423,801	\$ 9,543,636

*See accompanying notes to financial statements.*

# Charter Township of Oakland

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

<i>Year Ended March 31,</i>	<b>2005</b>
Net change in fund balances - total governmental funds	\$ 565,984
Amounts reported for governmental activities in the statement of activities are different because:	
Contribution of land and building is reported in the statement of activities but is not reported in the governmental funds	1,605,084
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Capital outlay	73,488
Depreciation	(524,012)
Government funds report shared road improvements as expenditures. However, in the statement of activities, the cost of these assets is allocated over the estimated useful lives as amortization expense	
Shared improvements	556,213
Amortization expense	-
Cash received on sale of capital assets are recorded as revenues in the government funds. However, in the statement of activities, these proceeds are netted against the remaining book values of the assets disposed.	
Proceeds from sale of capital assets	(18,500)
Gain on sale of capital assets	15,848
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	395,000
Accrued interest is recorded in the statement of activities when incurred; it is not reported in the governmental funds until paid.	
Balance, beginning of year	76,611
Balance, end of year	(71,814)
<b>Changes in Net Assets of Governmental Activities</b>	<b>\$ 2,673,902</b>

*See accompanying notes to financial statements.*

# Charter Township of Oakland

## Statement of Net Assets – Proprietary Funds – Enterprise – Sewer Fund

March 31,	2005
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 4,365,609
Investments	3,991,112
Delinquent taxes receivable	6,514
Accounts receivable - tap-in fees - current portion	454
<b>Total Current Assets</b>	<b>8,363,689</b>
<b>Capital Assets</b>	
Sewer facilities	8,456,675
Sewer system - Goodison	137,343
Sewer system - Extension #2	414,242
Leased asset - Oakland Township Extension	211,302
Sewer system - District 21	185,488
Sewer system - Extension #3	886,902
Less accumulated depreciation	10,291,952 (2,404,446)
<b>Net Capital Assets</b>	<b>7,887,506</b>
<b>Other Assets</b>	
Funds held by County	81
Accounts receivable - tap-in fees - noncurrent portion	889
<b>Total Other Assets</b>	<b>970</b>
	<b>\$ 16,252,165</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 109,690
Due to other taxing units	163,591
Deferred revenue	3,788,940
<b>Total Current Liabilities</b>	<b>4,062,221</b>
<b>Net Assets</b>	
Invested in capital assets – net of related debt	7,723,915
Restricted for sewer extensions	122,406
Unrestricted	4,343,623
<b>Total Net Assets</b>	<b>12,189,944</b>
	<b>\$ 16,252,165</b>

See accompanying notes to financial statements.

# Charter Township of Oakland

## Statements of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds - Enterprise - Sewer Fund

<i>Year Ended March 31,</i>	<b>2005</b>
<b>Operating Revenues</b>	
Sewer capital and lateral benefit charges	\$ 366,664
Sewer inspection fee and license	8,258
Special assessments	3,089
Miscellaneous	340
<b>Total Operating Revenues</b>	<b>378,351</b>
<b>Operating Expenses</b>	
Refund of sewer tap fees	246,945
Engineering fees	31,365
Depreciation	210,378
Consulting fees	9,444
Maintenance	8,250
Audit fees	500
Legal fees	302
Miscellaneous	3,999
<b>Total Operating Expenses</b>	<b>511,183</b>
<b>Operating Loss</b>	<b>(132,832)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Interest revenue	141,824
Interest expense	(2,009)
<b>Total Non-Operating Revenue - Net</b>	<b>139,815</b>
<b>Change in Net Assets</b>	<b>6,983</b>
<b>Net Assets, April 1 (as restated)</b>	<b>12,182,961</b>
<b>Net Assets, March 31</b>	<b>\$12,189,944</b>

*See accompanying notes to financial statements.*

# Charter Township of Oakland

## Statement of Cash Flows Proprietary Funds - Enterprise - Sewer Fund

<i>Year Ended March 31,</i>	<b>2005</b>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 643,004
Payments to suppliers	(226,040)
<b>Net Cash Provided By Operating Activities</b>	<b>416,964</b>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition of capital assets	(24,357)
Decrease in funds held by County	100,304
Interest and fiscal charges paid	(2,009)
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>73,938</b>
<b>Cash Flows From Investing Activities</b>	
Receipt of interest	141,824
Purchases of investments	(7,099,570)
Proceeds from sale of investments	7,260,042
<b>Net Cash Provided By Investing Activities</b>	<b>302,296</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>793,198</b>
<b>Cash and Cash Equivalents, April 1</b>	<b>3,572,411</b>
<b>Cash and Cash Equivalents, March 31</b>	<b>\$ 4,365,609</b>
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities</b>	
Operating loss	\$ (132,832)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	210,378
Increase in taxes receivable	(3,089)
Decrease in accounts receivable – tap-in fees	302
Increase in accounts payable	72,756
Increase in due to other taxing units	2,009
Increase in deferred revenue	267,440
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 416,964</b>

*See accompanying notes to financial statements.*

# Charter Township of Oakland

## Fiduciary Funds - Agency Statement of Fiduciary Net Assets March 31, 2005

	<i>Tax Collection</i>	<i>Trust and Agency</i>	<b>2005</b>
<b>Assets</b>			
Cash	\$ 14	\$ 58	\$ 72
	\$ 14	\$ 58	\$ 72
<b>Liabilities</b>			
Accounts payable	\$ 14	\$ -	\$ 14
Accrued retirement	-	58	58
	\$ 14	\$ 58	\$ 72

# Charter Township of Oakland

## Notes to Financial Statements

### 1. Summary of Significant Accounting Policies

#### *Description of the Township and the Reporting Entity*

The Charter Township of Oakland (the Township) was organized in 1837 under the Constitution of the State of Michigan and elected Charter status on August 30, 1988, under the provisions of Act 359, P.A. 1947, as amended (Charter Township Act). The governing body of Oakland Township is composed of a supervisor, clerk, treasurer and four trustees who are elected for four year terms. The Township provides the following services to its residents: police, fire, highways and streets, sanitation, planning and zoning, culture-recreation, public improvements, community programs and general administrative services. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity includes those of the Township (the primary government) and its component units. The component units discussed below are included in the Township's reporting entity because of the significance of their operational or financial relationships with the Township.

#### *Component Units*

The financial statements of the Township's component units have been included in the financial reporting entity as both blended and discretely presented component units.

#### Blended Component Units

The Oakland Township Building Authority, an entity legally separate from the Township, is governed by a three-member board appointed by the Township's Board of Trustees. Because its purpose is primarily to provide certain facilities necessary for the operation of the Township's government, the Building Authority is reported as if it were part of the Township's operations.

#### Discretely Presented Component Units

The component unit column in the financial statements includes the financial data of the Township's discretely presented component units. They are reported separately to emphasize that they are legally separate from the Township. The Oakland Township Park Commission is governed by a seven member board and the Library Board is governed by a six member board. Both boards are elected by the citizens of the Township. The Park Commission's primary purpose is the acquisition and preservation of park land. The purpose of the Library Board is to make library services available to the citizens of the Township. The activities of both the Park Commission and the Library Board ("Library") are included in the Township's financial statements as the primary government is financially accountable for those component units.

# Charter Township of Oakland

## Notes to Financial Statements

### *Basis of Presentation*

#### Government Wide Financial Statements

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

#### Fund Financial Statements

The fund financial statements provide information about the Township's funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available, it is the Township's policy to use restricted resources first.

The Township reports the following major governmental funds:

*General Fund* - is used to record transactions relating to the general activities of the Township which are not required to be accounted for in another fund.

# Charter Township of Oakland

## Notes to Financial Statements

*Older Persons' Commission Special Revenue Fund* - accounts for the collection of taxes levied to provide funds to the Older Persons' Commission operation.

*Fire Special Revenue Fund* - accounts for the collection of taxes levied to provide funds for fire protection and the maintenance, equipment and operation of the Township fire department.

*Police Special Revenue Fund* - accounts for the collection of taxes levied to provide funds for police protection and the maintenance, equipment and operation of the police department. The Township does not maintain its own police department but contracts with the Oakland County Sheriff.

*Building Special Revenue Fund* - accounts for various building permit fees generated from building permits, mechanical permits, electrical permits, and plumbing permits.

The Township reports the following major enterprise fund:

*Sewer Fund* - accounts for the operation and maintenance, capital additions, and improvements of the sewage disposal system. Financing is provided primarily by user charges.

In addition, the Township maintains the following nonmajor governmental funds:

*Historical Preservation Special Revenue Fund* - accounts for the collection of taxes levied to provide funds for the preservation of historical properties within the Township.

*Capital Projects Fund* - accounts for the accumulation of resources and expenditures for Township buildings.

*Debt Service Funds* - Debt Service Funds are used to account for the accumulation of resources for, and the payments of, general long-term debt principal and interest.

The Township also maintain the following funds:

*Fiduciary Funds* - The Tax Collection Fund and the Trust and Agency Fund are used to account for assets held by the Township as an agent. These funds are custodial in nature and do not involve measurement of results of operations.

# Charter Township of Oakland

## Notes to Financial Statements

### *Measurement Focus and Basis of Accounting*

Government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide and enterprise fund financial statements follow applicable accounting and financial reporting standards of the Financial Accounting Standards Board ("FASB") issued through November 30, 1989, unless those pronouncements conflict with Governmental Accounting Standards Board pronouncements. The Township has elected not to apply FASB pronouncements issued after November 30, 1989.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Taxes, intergovernmental revenues and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt are reported as other financing sources.

# Charter Township of Oakland

## Notes to Financial Statements

### *Budgets and Budgetary Accounting*

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to the beginning of the fiscal year, an operating budget is submitted to the Board for the fiscal year commencing the following April 1. The operating budget includes revenues from general sources, proposed expenditures and the means of financing them for the General Fund, Special Revenue Funds, and the Component Unit – Park Commission.
- (2) Public hearings are conducted as required to obtain taxpayer comments before the budget is legally enacted.
- (3) The Board adopts and approves the budget by departmental total for the General Fund and by functional classification totals for the Special Revenue Funds, and the Park Commission from detailed budget documents. The detailed documents submitted contain both line item and department totals.
- (4) Any revisions that alter either departmental totals in the General Fund, functional classification totals in the Special Revenue Funds and the Park Commission or the total expenditures of any fund must be approved by the Board.
- (5) Formal budgetary integration is employed as a management control device during the year for those funds involved.
- (6) Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget amounts included in the financial statements are as originally adopted, or as amended by the Board.

The Library Board adopts and approves the operating budget of the Component Unit - Library.

# Charter Township of Oakland

## Notes to Financial Statements

### *Cash Equivalents and Investments*

For purposes of financial presentation as well as statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. Investments in certificates of deposit are recorded at cost, which approximates fair value.

### *Capital Assets*

Capital assets, which include infrastructure, property, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets having a useful life in excess of one year whose costs exceed \$1,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated fixed assets are stated at their market value as of the donation date. Infrastructure assets include sewer facilities and are included in the sewer fund.

Property, infrastructure, buildings and equipment are depreciated using the straight-line method over the following useful lives:

	<i>Years</i>
Land improvements	7
Sewer facilities	40-50
Buildings and improvements	7-39
Vehicles	7
Furniture and equipment	7
Computers	7

# Charter Township of Oakland

## Notes to Financial Statements

### *Shared Road Improvements and Shared Trailways*

Shared road improvements and shared trailways represent the Township's portion of road and trailway improvements for roads and trailways owned by others. The Township records these payments as intangible assets and amortizes the costs over the expected future periods to be benefited. The amortization periods are as follows:

	<i>Years</i>
Shared road improvements	30
Shared trailway improvements	30

### *Net Assets*

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

### *Property Taxes*

The Township assesses and collects both real and personal property taxes for the Township, County and schools. As collections are made, the Township periodically remits them to the schools and County as required by law. When the property taxes become delinquent, they are turned over to the County, which is then responsible for collection. The County purchases the delinquent real property tax roll in its entirety, but personal property taxes are remitted by the County as received. The Township's portion of delinquent property taxes are recorded as a receivable in the year they become delinquent.

The following is the property tax calendar followed by the Township of Oakland:

Summer tax bills mailed	July 1
Levy date-Summer tax	July 1
Summer tax due	September 14
Winter tax bills mailed	December 1
Levy date-Winter tax	December 1
Winter tax due	February 14
Delinquent real property tax purchased by the County	March 1

# Charter Township of Oakland

## Notes to Financial Statements

The December 2004 tax levy is recognized as revenue for the Township's fiscal year ended March 31, 2005.

### *Compensated Absences*

Township employees hired prior to May 1, 1997 are entitled to fifteen personal days with full pay each year. As an alternative, the employee may choose to be paid their equivalent hourly rate on their anniversary date for up to five days per year or may choose to accumulate up to twenty days in an escrow account. Upon termination of employment the employee will receive payment for up to twenty accumulated, unused days according to the hourly rate in effect for that employee at the time of termination.

Township employees hired after May 1, 1997 are entitled to twelve personal days with full pay each year. These employees do not have the option of being paid for unused personal days on their anniversary date, however they can accumulate up to twenty days in an escrow account which is paid out at termination as described above.

All employees are granted vacation leave in various amounts based on length of service. Vacation days must be used in the service year in which an employee is entitled. No payments are made in lieu of unused vacation days nor can any unused vacation time be carried over to the following year.

## **2. Cash, Cash Equivalents and Investments**

Deposits - At year-end, the carrying account of the Township's (primary government and component units) cash and cash equivalents was \$13,601,333 and the bank balances were \$13,915,520. The bank balances were covered by federal depository insurance in the amount of \$500,000. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds.

Investments - Michigan statutes authorize the Township to invest in the following types of investments:

- Direct bonds and obligations of the U.S. or its agencies or instrumentalities;
- Certificates of deposit, savings accounts with banks, savings and loan associations or credit unions which are insured with the applicable federal agency;

# Charter Township of Oakland

## Notes to Financial Statements

- Commercial paper rated at the time of purchase within the three highest classifications established by at least two rating services, which matures not later than two hundred seventy days, and not more than 50% of any fund may be invested in commercial paper;
- Repurchase agreements of the U.S. or its agencies;
- Bankers' acceptance of U.S. banks;
- Mutual funds.

The Township's investments at year-end consist of \$7,984,445 of certificates of deposit.

### 3. Interfund Receivables and Payables

Interfund receivables and payables at March 31, 2005 were:

<i>Fund</i>	<i>Interfund Receivables</i>	<i>Interfund Payables</i>
General Fund	\$ 74,814	\$ 190,742
Special Revenue Fund - Building Fund	-	35,923
Other Nonmajor Governmental Funds	-	900
Special Revenue Fund – Fire	190,742	25,990
Special Revenue Fund – Police	225	329
Component Unit – Park Commission	-	11,897
	\$ 265,781	\$ 265,781

Interfund transfers during the year ended March 31, 2005 were as follows:

<i>Fund Transferred From</i>	<i>Fund Transferred To</i>	<i>Amount</i>
Special Revenue Fund – Older Persons' Commission	Nonmajor Fund	\$ 181,881
Special Revenue Fund – Fire	Nonmajor Fund	359,005
Component Unit – Park Commission	Nonmajor Fund	222,918
General Fund	Fire Fund	190,742
	<b>Total</b>	<b>\$ 954,546</b>

# Charter Township of Oakland

## Notes to Financial Statements

### 4. Capital Assets

Capital asset activity for the year ended March 31, 2005 was as follows:

	<i>Balance April 1, 2004</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance March 31, 2005</i>
<b>Governmental Activities</b>				
Capital assets not depreciated:				
Land	\$ 435,080	\$ 277,093	\$ -	\$ 712,173
Capital assets being depreciated:				
Land improvements	365,244	-	(28,915)	336,329
Buildings	5,161,825	1,327,991	-	6,489,816
Building improvements	331,780	-	(4,526)	327,254
Machinery and equipment	69,427	2,677	(835)	71,269
Office equipment, furniture and fixtures	368,044	6,079	(6,439)	367,684
Building vehicles	72,614	-	-	72,614
Police and fire equipment	688,845	31,137	(9,358)	710,624
Fire vehicles	2,237,499	20,442	(62,500)	2,195,441
Computer equipment and software	175,309	13,154	(13,049)	175,414
<b>Total capital assets being depreciated</b>	<b>9,470,587</b>	<b>1,401,480</b>	<b>(125,622)</b>	<b>10,746,445</b>
Less accumulated depreciation for:				
Land improvements	230,137	44,379	(28,915)	245,601
Buildings	612,769	163,345	-	776,114
Building improvements	213,255	12,049	(4,525)	220,779
Machinery and equipment	58,357	4,269	(835)	61,791
Office equipment, furniture and fixtures	278,643	38,945	(6,439)	311,149
Building vehicles	34,550	10,151	-	44,701
Police and fire equipment	329,920	74,604	(8,770)	395,754
Fire vehicles	445,225	161,864	(62,500)	544,589
Computer equipment and software	126,661	14,406	(10,985)	130,082
<b>Total accumulated depreciation</b>	<b>2,329,517</b>	<b>524,012</b>	<b>(122,969)</b>	<b>2,730,560</b>
<b>Governmental Activities – Net Capital Assets</b>	<b>\$ 7,576,150</b>	<b>\$ 1,154,561</b>	<b>\$ (2,653)</b>	<b>\$ 8,728,058</b>

# Charter Township of Oakland

## Notes to Financial Statements

	<i>Balance April 1, 2004</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance March 31, 2005</i>
<b>Component Units</b>				
Capital assets not depreciated:				
Land	\$ 8,036,143	\$ -	\$ -	\$ 8,036,143
Capital assets being depreciated:				
Land improvements	721,034	15,713	-	736,747
Buildings	1,370,088	-	-	1,370,088
Park vehicles	23,722	-	-	23,722
Total capital assets being depreciated	2,114,844	15,713	-	2,130,557
Less accumulated depreciation for:				
Land improvements	99,133	101,564	-	200,697
Buildings	873,868	15,387	-	889,255
Park vehicles	5,839	3,389	-	9,228
Total accumulated depreciation	978,840	120,340	-	1,099,180
<b>Component Units - Net Capital Assets</b>	<b>\$ 9,172,147</b>	<b>\$(104,627)</b>	<b>\$ -</b>	<b>\$ 9,067,520</b>

Depreciation expense was charged to governmental functions and component units as follows:

### Governmental Functions

General government	\$ 179,251
Fire services	313,016
Preservation	21,404
Police	190
Building	10,151

Total governmental functions 524,012

### Component Unit

Park Commission 120,340

**Total Depreciation Expense \$ 644,352**

# Charter Township of Oakland

## Notes to Financial Statements

	<i>Balance April 1, 2004</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance March 31, 2005</i>
	(as restated)			
<b>Business-Type Activities</b>				
Sewer facilities	\$ 8,432,317	\$ 24,358	\$ -	\$ 8,456,675
Sewer system – Goodison	137,343	-	-	137,343
Sewer system – Extension #2	414,242	-	-	414,242
Leased asset – Oakland Township Extension	211,302	-	-	211,302
Sewer system – District #21	185,488	-	-	185,488
Sewer system – Extension #3	886,902	-	-	886,902
 Total capital assets being depreciated	 10,267,594	 24,358	 -	 10,291,952
Less accumulated depreciation	2,194,068	210,378	-	2,404,446
 <b>Business –Type Activities – Net Capital Assets</b>	 \$ 8,073,526	 \$(186,020)	 \$ -	 \$ 7,887,506

### 5. Shared Improvements

#### *Shared Road Improvements*

During 2005, the Township entered into a cost participation agreement with Oakland County which calls for the Township to share in the improvement of certain roads owned by the County which run through the Township limits. As of and during the year ended March 31, 2005, the Township paid \$556,213 for these improvements. The Township's remaining commitment for this project is approximately \$400,000 at March 31, 2005. The Township will begin amortizing these costs in 2006 when the project is complete. As such, there was no amortization taken on the improvements during 2005.

#### *Shared Trailway Improvements*

During 2005, the Park Commission (a component unit) paid \$161,433 to the Paint Creek Trailways Commission which represents the Commission's share of a resurfacing project for a trailway that runs through the Township's limits. The trailway is not owned by the Commission and as such, any payments made by the Commission are capitalized as a shared improvement and amortized over the useful life of the improvement. A summary of the activity of the shared Trailway Improvement is as follows:

# Charter Township of Oakland

## Notes to Financial Statements

	2005
Cost, beginning of year	\$ -
Add: current year payments	161,433
Less: current year amortization	(5,381)
Cost, end of year	\$ 156,052

### 6. Long-Term Debt

The following is a summary of all long-term debt transactions of the Township and its component units for the year ended March 31, 2005:

	<i>Amount Payable at April 1, 2004</i>	<i>Borrowings</i>	<i>Debt Repayments</i>	<i>Amount Payable at, March 31, 2005</i>
2000 Building Authority bonds payable	\$ 200,000	\$ -	\$ 55,000	\$ 145,000
2001 Building Authority bonds payable	4,825,000	-	265,000	4,560,000
2002 General Obligation unlimited tax bonds	2,425,000	-	75,000	2,350,000
2004 General Obligation Limited tax bonds	2,000,000	-	-	2,000,000
<b>Totals</b>	<b>\$ 9,450,000</b>	<b>\$ -</b>	<b>\$ 395,000</b>	<b>\$ 9,055,000</b>

#### ***2000 Building Authority Bonds Payable***

During fiscal year 1998, the Charter Township of Oakland Building Authority ("Building Authority") entered into a contract for the construction of a new township building. The Building Authority issued \$1,800,000 in bonds to finance a portion of the project.

During fiscal 2002, the Township advance refunded the remaining balance of the 1998 Building Authority Bonds in the amount of \$1,585,000. To provide for future debt service on the refunded bonds, the Township paid \$1,715,942 to an escrow agent to establish an irrevocable trust. As a result, the 1998 bonds are considered defeased. Accordingly, the trust fund assets and the liability for the defeased bonds are not included in the financial statements. As of March 31, 2004, the amount of defeased debt outstanding but removed from the financial statements amounted to \$1,390,000.

During fiscal 2000, the Charter Township of Oakland Building Authority issued \$645,000 in bonds to retire the remaining land contract debt held by the Township of Oakland.

# Charter Township of Oakland

## Notes to Financial Statements

Principal payments on the bonds range from \$30,000 - \$60,000 and are due annually on June 1 through 2007. Interest ranges from 4.90% to 5.00%.

### *2001 Building Authority Bonds Payable*

During fiscal year 2001, the Charter Township of Oakland Building Authority (Building Authority) entered into a contract for the construction of a new fire station and the purchase of park land. The Building Authority issued \$5,205,000 in bonds to help finance the above-mentioned projects.

Principal payments on the bonds range from \$300,000 - \$375,000 and are due annually on June 1 through 2020. Interest ranges from 4.35% to 4.75%.

### *2002 General Obligation Unlimited Tax Bonds*

During fiscal year 2002, the Township issued \$2,575,000 in bonds to pay its share of the costs of constructing a new senior center to be operated by the Rochester Hills-Oakland-Rochester Older Persons' Commission.

Principal payments on the bonds range from \$100,000 - \$200,000 and are due annually on April 1 through 2021. Interest ranges from 3.50% to 5.00%.

### *2004 General Obligation Limited Tax Bonds*

During fiscal year 2004, the Township Park Commission (a component unit) issued \$2,000,000 in bonds to defray all or part of the cost of acquiring land to be used by the Township for public purposes.

Principal payments on the bonds range from \$170,000 - \$500,000 and are due annually on June 1 through 2010. Interest ranges from 2.00% to 2.75%.

Annual debt service requirements to maturity for the above obligations are as follows:

	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2006	\$ 525,000	\$ 305,356	\$ 830,356
2007	690,000	335,695	1,025,695
2008	750,000	310,597	1,060,597
2009	695,000	287,116	982,116
2010	755,000	264,266	1,019,266
2011-2015	2,370,000	1,004,274	3,374,274
2016-2020	2,495,000	501,044	2,996,044
2021-2025	775,000	28,906	803,906
<b>Totals</b>	<b>\$ 9,055,000</b>	<b>\$ 3,037,254</b>	<b>\$12,092,254</b>

# Charter Township of Oakland

## Notes to Financial Statements

- 7. Defined Contribution Plan** The Township of Oakland Group Pension Plan is a defined contribution pension plan established by the Township to provide benefits at retirement to elected officials, full time employees, firemen, and regular part time employees of the Township. Plan provisions and contribution requirements are established and may be amended by the Township. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees who have attained the age of 18 but not more than 75 are eligible to participate after one and a half months of employment. The Township's contributions for each employee (and interest allocated to the employee's account) are fully vested upon death, total disability, retirement or on termination of service.

The Township's total payroll (primary government and component units) for the fiscal year ended March 31, 2005 was approximately \$1,323,800. The Township's contributions were calculated using the base salary amount of \$1,008,030. In May 2004, the Township increased the contribution rate from 11% to 12% of the base salary. The total amount the Township contributed was \$120,964. Plan members are not required to contribute to the plan.

- 8. Deferred Compensation Plan** The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

During the year ended March 31, 1999, the Township transferred all assets of the deferred compensation plan into trust for the exclusive benefit of plan participants and their beneficiaries. Prior to establishment of the trust, the Township owned the assets and accounted for the Plan in an agency fund. With the transfer of assets to trust, the Township no longer owns the assets and does not have fiduciary responsibility for the Plan. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the Plan's assets and liabilities have been excluded from the financial statements of the Township.

- 9. Joint Ventures**

### *Trailways Commission*

A joint venture agreement, effective December 23, 1981, was entered into by the Township of Oakland, Township of Orion, City of Rochester Hills and the City of Rochester for the purpose of establishing and providing for the powers and duties of the Trailways Commission, pursuant to the Urban Cooperation Act (Act 7, P.A. 1967). The Commission is a separate public corporation for the purpose of owning, exercising right of dominion over, developing, providing, maintaining and operating certain non-motorized public trails for recreational

# Charter Township of Oakland

## Notes to Financial Statements

use within the jurisdictions of member governmental units. The Township appoints two commissioners to the governing board which is responsible for approving the annual budget. Pursuant to the agreement, each member shall be responsible for an equal share of the commission's budget. The expenditures are shown in the Township's Component Unit - Park Commission.

The following information of the joint venture, obtained from the Trailways Commission, is as of and for the year ended December 31, 2003 (which is the latest information available to the Township):

	<i>General Fund</i>	<i>General Fixed Assets Account Group</i>
Total assets	\$ 59,461	\$ 937,727
Total liabilities	2,938	-
Total fund balances and other credits	56,523	937,727
Total revenues	77,438	-
Total expenditures	82,419	-
Decrease in fund balance	(4,981)	-

### *Older Persons' Commission*

An interlocal agreement, effective March 28, 1985 and amended August 28, 1995, was entered into by the Township of Oakland, City of Rochester Hills and the City of Rochester for the purpose of establishing an Older Persons' Commission pursuant to the Urban Cooperation Act (Act 7, P.A. 1967, Act 39, P.A. 1976, Act 35, P.A. 1951 and Act 150, P.A. 1923). The Commission is a separate public corporation for the purpose of providing activities and services for older persons, defined as those individuals sixty years of age or older residing in the governmental units which are parties to the agreement. The activities and services to be provided include, but are not limited to, the joint ownership and operation of an older persons' activity center, transportation and actions directed toward the improvement of the social, legal, health, housing, educational, emotional, nutritional, recreational, and mobility status of older persons. The Township appoints one member to the Older Persons' Commission governing board which is responsible for approving the annual budget. Pursuant to the agreement, each member shall be responsible for its pro-rata share of the budget based upon its assessed valuation of property. The expenditures are shown in the Township's Older Persons' Commission Special Revenue Fund.

# Charter Township of Oakland

## Notes to Financial Statements

The following financial information of the joint venture, obtained from the Older Persons' Commission is as of and for the year ended December 31, 2004 (which is the latest information available to the Township):

	<i>Full Accrual</i>
Total assets	\$ 17,976,738
Total liabilities	204,805
Total net assets	17,771,933
Total revenues and special items	3,540,923
Total expenditures	3,414,099
Increase in net assets	126,824

# Charter Township of Oakland

## Notes to Financial Statements

10. **Designated Fund Balances**      The following schedule reflects the changes in the designated fund balances for the General and Special Revenue Funds for the year ended March 31, 2005:

	<i>Fund Balance April 1, 2004</i>	<i>Board Appropriations</i>	<i>Transfer to Undesignated Fund Balance</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Fund Balance March 31, 2005</i>
<b>General Fund</b>						
Township improvement fund	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Special fund for roads	345,875	-	-	-	(10,000)	335,875
Beautification fund	40,145	-	-	6,046	-	46,191
Lake Board	55,060	-	-	10,371	-	65,431
Liquor Fund	4,784	-	(4,784)	-	-	-
Indian Lake	21,148	-	-	-	-	21,148
Bike Path Reserve	179,423	-	-	-	-	179,423
Cable	-	6,656	-	-	-	6,656
Historical preservation	46	-	(46)	-	-	-
Sweatshirts & mugs	966	-	-	407	-	1,373
<b>Total General Fund</b>	<b>\$ 1,047,447</b>	<b>\$ 6,656</b>	<b>\$ (4,830)</b>	<b>\$ 16,824</b>	<b>\$ (10,000)</b>	<b>\$ 1,056,097</b>
<b>Special Revenue Funds</b>						
Fire	\$ 68,510	\$ -	\$ -	\$ -	\$ -	\$ 68,510
Police	21,896	-	-	-	-	21,896
<b>Total Special Revenue Funds</b>	<b>\$ 90,406</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,406</b>

# Charter Township of Oakland

## Notes to Financial Statements

### 11. Component Units

The following is the combining statement of net assets and statement of activities for discretely presented Component Units as of and for the year ended March 31, 2005:

	<i>Park Commission</i>	<i>Library Board</i>	<i>Total</i>
<b>Assets</b>			
Cash and cash equivalents	\$ 2,392,059	\$ 785,154	\$ 3,177,213
Delinquent taxes receivable	78,502	37,482	115,984
Capital assets not being depreciated	8,036,143	-	8,036,143
Capital assets, net of accumulated depreciation	1,031,377	-	1,031,377
Shared trailways, net of accumulated amortization	156,052	-	156,052
<b>Total Assets</b>	<b>\$ 11,694,133</b>	<b>\$ 822,636</b>	<b>\$ 12,516,769</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable	\$ 8,870	\$ -	\$ 8,870
Accrued vacation	10,924	-	10,924
Accrued wages	4,543	-	4,543
Accrued interest	15,654	-	15,654
Due to General Fund	11,897	-	11,897
<b>Noncurrent Liabilities</b>			
Due within one year	170,000	-	170,000
Due in more than one year	1,830,000	-	1,830,000
<b>Total Liabilities</b>	<b>2,051,888</b>	<b>-</b>	<b>2,051,888</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	7,067,520	-	7,067,520
Unrestricted	2,574,725	822,636	3,397,361
<b>Total Net Assets</b>	<b>9,642,245</b>	<b>822,636</b>	<b>10,464,881</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,694,133</b>	<b>\$ 822,636</b>	<b>\$ 12,516,769</b>

# Charter Township of Oakland

## Notes to Financial Statements

	<i>Program Revenues</i>			<i>Net (Expense)</i>
	<i>Expenses</i>	<i>Charges for Services</i>	<i>Operating Grants and Revenues</i>	<i>Revenue and Changes in Net Assets</i>
<b>Component Units</b>				
Park Commission	\$ 671,248	\$ 3,275	\$ 200,540	\$ (467,433)
Library Board	617,283	-	-	(617,283)
<b>Total Component Units</b>	1,288,531	3,275	200,540	(1,084,716)
<b>General Revenues</b>				
			Tax revenues	2,110,656
			Operation transfers	(222,918)
			Other revenues	33,480
			Unrestricted investment earnings	27,197
			<b>Total General Revenues</b>	<b>1,948,415</b>
			Change in Net Assets	863,699
			Net Assets, beginning of year	9,601,182
			Net Assets, end of year	<b>\$ 10,464,881</b>

**12. Contribution**

During 2005, the Township received a contribution of land and a building. The estimated fair market value of the land and building at the date of the contribution was \$277,093 and \$1,327,991, respectively.

**13. New Pronouncements**

In fiscal 2005, the Township adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

# Charter Township of Oakland

## Notes to Financial Statements

The conversion of the governmental fund balances to net assets at April 1, 2004 is as follows:

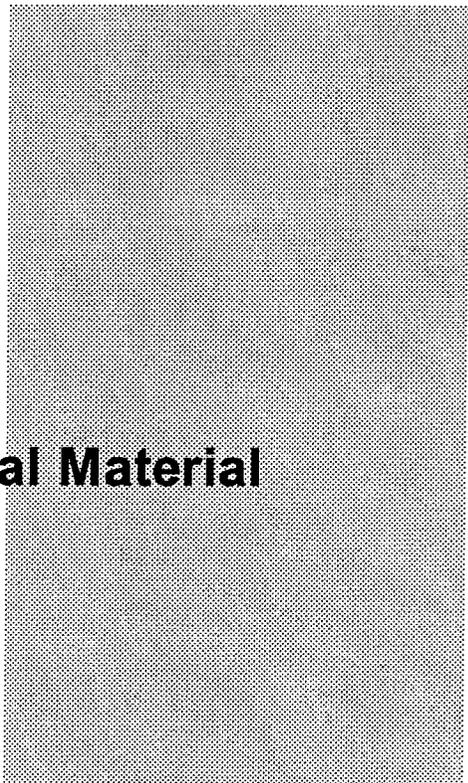
<i>April 1,</i>	2004
<b>Beginning Fund Balance</b>	\$ 8,977,652
Net capital assets	7,576,150
Long-term debt	(7,450,000)
Accrued interest payable	(76,611)
<b>Net Assets, as of April 1, 2004</b>	<b>\$ 9,027,191</b>

### 14. Restatement

In fiscal 2005, the Township retroactively capitalized certain sewer facilities. The effect on the net assets of the Sewer Fund is as follows:

Net Assets, previously reported	\$ 5,274,332
Add: cost of sewer facilities added	8,432,317
Less: accumulated depreciation of sewer facilities added	(1,523,688)
<b>Net Assets, as restated</b>	<b>\$ 12,182,961</b>

**Required Supplemental Material**



# Charter Township of Oakland

## General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended March 31, 2005

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Tax Revenues</b>				
Property taxes	\$ 911,400	\$ 965,200	\$ 963,423	\$ (1,777)
Interest and penalties	5,250	5,250	9,100	3,850
Trailer tax	2,000	2,000	2,114	114
<b>Total Tax Revenues</b>	<b>918,650</b>	<b>972,450</b>	<b>974,637</b>	<b>2,187</b>
<b>Intergovernmental Revenues</b>				
Sales taxes	775,000	900,000	431,322	(468,678)
Liquor revenues	8,000	8,000	6,861	(1,139)
Community Development Block Grants	25,000	30,000	39,660	9,660
State income taxes	150,000	-	452,289	452,289
<b>Total Intergovernmental Revenues</b>	<b>958,000</b>	<b>938,000</b>	<b>930,132</b>	<b>(7,868)</b>
<b>Charges for Services</b>				
Other licenses and permits	3,000	4,000	3,677	(323)
Lake improvements	10,000	20,000	19,865	(1,357)
Land division	2,500	2,500	3,610	1,110
Filing fees	2,500	2,500	2,600	100
Administrative fees	70,000	100,000	102,148	2,148
Cable franchise fees	120,000	140,000	135,436	(4,564)
<b>Total Charges for Services</b>	<b>208,000</b>	<b>269,000</b>	<b>267,336</b>	<b>(1,664)</b>
<b>Other Revenues</b>				
Sales of printed material	3,000	3,000	2,971	(29)
Fines and forfeits	45,000	45,000	33,531	(11,469)
Interest earnings	65,000	85,000	113,597	28,597
Tree sale	-	-	6,046	6,046
Metroact act revenue	-	11,000	10,598	(402)
Miscellaneous	21,000	21,700	15,330	(6,370)
<b>Total Other Revenues</b>	<b>134,000</b>	<b>165,700</b>	<b>182,073</b>	<b>16,373</b>
<b>Total Revenues</b>	<b>\$ 2,218,650</b>	<b>\$ 2,345,150</b>	<b>\$ 2,354,178</b>	<b>\$ 9,028</b>

# Charter Township of Oakland

## General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended March 31, 2005

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Legislative</b>				
Township Board				
Recording secretary	\$ 4,400	\$ 4,400	\$ 4,777	\$ (377)
Fees and per diem	15,000	15,000	11,800	3,200
Office supplies	-	5,000	6,198	(1,198)
Audit fees	12,000	12,000	11,700	300
Consultant fees	20,000	50,000	35,432	14,568
Legal fees	90,000	90,000	80,670	9,330
Printing and publishing	10,000	10,000	8,370	1,630
Miscellaneous	17,500	19,500	15,716	3,784
Equipment maintenance	15,000	18,000	26,342	(8,342)
Bank charges	1,000	1,000	2,836	(1,836)
Disaster declaration fund	1,000	1,000	-	1,000
Postage	15,000	15,000	15,219	(219)
<b>Total Legislative</b>	<b>200,900</b>	<b>240,900</b>	<b>219,060</b>	<b>21,840</b>
<b>General Government</b>				
Township Supervisor				
Salaries and wages	116,500	125,000	127,381	(2,381)
Office supplies	2,000	2,000	1,169	831
Miscellaneous	3,500	3,500	3,293	207
Equipment maintenance	2,000	2,000	-	2,000
Education	4,500	5,000	1,028	3,972
Car allowance	4,800	4,800	4,800	-
<b>Total Township Supervisor</b>	<b>133,300</b>	<b>142,300</b>	<b>137,671</b>	<b>4,629</b>
Election Department				
Office supplies	10,000	10,000	7,783	2,217
Fees and per diem	12,000	15,000	14,165	835
Printing and publishing	3,500	3,500	4,434	(934)
Equipment maintenance	2,500	2,500	1,829	671
Miscellaneous	4,000	4,000	-	4,000
<b>Total Election Department</b>	<b>32,000</b>	<b>35,000</b>	<b>28,211</b>	<b>6,789</b>
Township Assessor				
Professional services	115,000	115,000	107,991	7,009
Office supplies	2,500	2,500	331	2,169
Miscellaneous	1,000	1,000	59	941
Consultant	2,000	2,000	1,074	926
<b>Total Township Assessor</b>	<b>120,500</b>	<b>120,500</b>	<b>109,455</b>	<b>11,045</b>

# Charter Township of Oakland

## General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended March 31, 2005

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Township Clerk</b>				
Salaries and wages	\$ 129,500	\$ 131,500	\$ 139,765	\$ (8,265)
Office supplies	9,000	9,000	2,570	6,430
Accounting fees	4,000	4,000	2,014	1,986
Printing and publishing	20,000	20,000	3,993	16,007
Miscellaneous	3,000	3,000	775	2,225
Equipment maintenance	6,500	6,500	2,516	3,984
Education	6,000	6,000	1,552	4,448
<b>Total Township Clerk</b>	<b>178,000</b>	<b>180,000</b>	<b>153,185</b>	<b>26,815</b>
<b>Board of Review</b>				
Fee and per diem	4,500	4,500	1,163	3,337
Staff salary	1,300	1,300	-	1,300
Miscellaneous	500	500	522	(22)
<b>Total Board of Review</b>	<b>6,300</b>	<b>6,300</b>	<b>1,685</b>	<b>4,615</b>
<b>Township Treasurer</b>				
Salaries and wages	139,000	142,000	130,162	11,838
Office supplies	9,000	9,000	4,587	4,413
Printing and publishing	2,500	5,000	4,101	899
Miscellaneous	3,700	5,200	6,907	(1,707)
Equipment maintenance	5,000	5,000	693	4,307
Errors in roll	1,500	1,500	1,380	120
Education	6,000	6,000	2,010	3,990
Consultant	9,000	9,000	8,287	713
Tax receipting system	8,000	8,000	4,940	3,060
Drains at large	1,500	1,500	200	1,300
<b>Total Township Treasurer</b>	<b>185,200</b>	<b>192,200</b>	<b>163,267</b>	<b>28,933</b>

# Charter Township of Oakland

## General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended March 31, 2005

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Township Hall and Grounds</b>				
Maintenance staff	\$ 7,800	\$ 7,800	\$ 1,243	\$ 6,557
Utilities	25,000	40,000	41,300	(1,300)
Building improvements	1,500	1,500	21,968	(20,468)
Repairs and maintenance	18,000	44,000	14,924	29,076
Grounds maintenance	22,000	28,000	22,213	5,787
Supplies	3,500	3,500	1,844	1,656
Miscellaneous	3,500	4,500	(3,472)	7,972
Janitorial service	19,000	19,000	16,415	2,585
Property tax payment	-	23,000	22,697	303
<b>Total Township Hall and Grounds</b>	<b>100,300</b>	<b>171,300</b>	<b>139,132</b>	<b>32,168</b>
Cemetery	16,000	16,000	2,615	13,385
<b>Total General Government</b>	<b>771,600</b>	<b>863,600</b>	<b>735,221</b>	<b>128,379</b>
<b>Planning</b>				
Fees and per diem	7,200	7,200	7,700	(500)
Planning secretary	46,000	46,000	46,774	(774)
Supplies	3,000	3,000	1,985	1,015
Consultant	65,000	75,000	61,021	13,979
Printing and publishing	6,000	6,000	474	5,526
Equipment maintenance	2,000	2,000	-	2,000
Miscellaneous	2,200	2,200	1,743	457
Education	5,650	7,500	2,296	5,204
<b>Total Planning</b>	<b>137,050</b>	<b>148,900</b>	<b>121,993</b>	<b>26,907</b>

# Charter Township of Oakland

## General Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended March 31, 2005

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Public Works</b>				
Highway and Streets				
Road repair and maintenance	\$ 585,000	\$ 700,000	\$ 610,204	\$ 89,796
Street lighting	6,200	6,500	6,975	(475)
Miscellaneous	50,000	50,000	4,800	45,200
Dumping privileges	35,000	35,000	8,074	26,926
<b>Total Public Works</b>	<b>676,200</b>	<b>791,500</b>	<b>630,053</b>	<b>161,447</b>
<b>Health and Welfare</b>				
Community Services				
Community action program	71,200	89,350	71,168	18,182
Older Persons' Commission	20,000	22,500	22,178	322
Community Development Block Grant	25,000	30,000	39,660	(9,660)
<b>Total Health and Welfare</b>	<b>116,200</b>	<b>141,850</b>	<b>133,006</b>	<b>8,844</b>
<b>Other Functions</b>				
Insurance and bonds	133,000	63,000	57,033	5,967
Retirement contributions	35,000	40,600	38,628	1,972
Social security and MESC	39,000	41,000	37,444	3,556
<b>Total Other Functions</b>	<b>207,000</b>	<b>144,600</b>	<b>133,105</b>	<b>11,495</b>
<b>Capital Outlay</b>	<b>135,700</b>	<b>171,400</b>	<b>9,797</b>	<b>161,603</b>
<b>Total Expenditures</b>	<b>2,244,650</b>	<b>2,502,750</b>	<b>1,982,235</b>	<b>520,515</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(26,000)</b>	<b>(157,600)</b>	<b>371,943</b>	<b>529,543</b>
<b>Operating Transfers In</b>	<b>426,000</b>	<b>558,100</b>	<b>-</b>	<b>(558,100)</b>
<b>Operating Transfers Out</b>	<b>(400,000)</b>	<b>(400,000)</b>	<b>(190,742)</b>	<b>209,258</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>500</b>	<b>181,201</b>	<b>180,701</b>
<b>Fund Balance, April 1</b>	<b>5,045,122</b>	<b>5,045,122</b>	<b>5,045,122</b>	<b>-</b>
<b>Fund Balance, March 31</b>	<b>\$ 5,045,122</b>	<b>\$ 5,045,622</b>	<b>\$ 5,226,323</b>	<b>\$ 180,701</b>

**Charter Township of Oakland**  
**Older Persons' Commission Fund**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual -**  
**Year Ended March 31, 2005**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Revenues</b>				
Tax revenues	\$ 415,000	\$ 415,000	\$ 438,047	\$ 23,047
Other revenues	-	-	1,011	1,011
<b>Total Revenues</b>	415,000	415,000	439,058	24,058
<b>Expenditures</b>				
General Government				
Audit fees	600	600	-	600
Bank charges	-	-	300	(300)
Errors in roll	-	-	613	(613)
<b>Total General Government</b>	600	600	913	(313)
<b>Culture and Recreation</b>	232,519	232,519	250,117	(17,598)
<b>Total Expenditures</b>	233,119	233,119	251,030	(17,911)
<b>Excess of Revenues Over     Expenditures</b>	181,881	181,881	188,028	6,147
<b>Other Financing Uses</b>				
Operating transfers out	(181,881)	(181,881)	(181,881)	-
<b>Total Other Financing Uses</b>	(181,881)	(181,881)	(181,881)	-
<b>Net Change in Fund Balance</b>	-	-	6,147	6,147
<b>Fund Balance, April 1</b>	-	-	-	-
<b>Fund Balance, March 31</b>	\$ -	\$ -	\$ 6,147	\$ 6,147

**Charter Township of Oakland**  
**Fire Fund**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual**  
**Year Ended March 31, 2005**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Revenues</b>				
Tax revenues	\$ 990,105	\$ 998,105	\$ 1,028,818	\$ 30,713
Other revenues	47,000	37,000	52,162	15,162
<b>Total Revenues</b>	<b>1,037,105</b>	<b>1,035,105</b>	<b>1,080,980</b>	<b>45,875</b>
<b>Expenditures</b>				
<b>General Government</b>				
Professional services	9,000	9,000	6,169	2,831
Insurance	30,000	30,000	42,967	(12,967)
Office supplies	2,500	2,500	149	2,351
Miscellaneous	7,100	9,100	8,209	891
<b>Total General Government</b>	<b>48,600</b>	<b>50,600</b>	<b>57,494</b>	<b>(6,894)</b>
<b>Fire Services</b>				
Fire Fighters	641,100	641,100	532,800	108,300
Fire Station	45,000	58,000	60,549	(2,549)
Vehicles and equipment	104,000	97,000	59,430	37,570
Communications	40,600	40,600	40,044	556
Fire prevention	4,800	4,800	2,249	2,551
<b>Total Fire Services</b>	<b>835,500</b>	<b>841,500</b>	<b>695,072</b>	<b>146,428</b>
<b>Capital Outlay</b>	<b>94,000</b>	<b>82,000</b>	<b>60,151</b>	<b>21,849</b>
<b>Total Expenditures</b>	<b>978,100</b>	<b>974,100</b>	<b>812,717</b>	<b>161,383</b>
<b>Excess of Revenue Over Expenditures</b>	<b>59,005</b>	<b>61,005</b>	<b>268,263</b>	<b>207,258</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	400,000	400,000	190,742	(209,258)
Operating transfers out	(359,005)	(359,005)	(359,005)	-
<b>Total Other Financing Sources (Uses)</b>	<b>40,995</b>	<b>40,995</b>	<b>(168,263)</b>	<b>(209,258)</b>
<b>Net Change in Fund Balance</b>	<b>100,000</b>	<b>102,000</b>	<b>100,000</b>	<b>(2,000)</b>
<b>Fund Balance, April 1</b>	<b>761,772</b>	<b>761,772</b>	<b>761,772</b>	<b>-</b>
<b>Fund Balance, March 31</b>	<b>\$ 861,772</b>	<b>\$ 863,772</b>	<b>\$ 861,772</b>	<b>\$ (2,000)</b>

**Charter Township of Oakland**  
**Police Fund**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual**  
**Year Ended March 31, 2005**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Revenues</b>				
Tax revenues	\$ 1,800,200	\$ 1,800,200	\$ 1,937,386	\$ 137,186
Other revenues	20,000	20,000	15,756	(4,244)
<b>Total Revenues</b>	<b>1,820,200</b>	<b>1,820,200</b>	<b>1,953,142</b>	<b>132,942</b>
<b>Expenditures</b>				
<b>General Government</b>				
Professional Services	500	500	500	-
Office supplies	1,200	1,200	-	1,200
Miscellaneous expense	3,500	4,500	3,935	565
Errors in roll	200	3,000	2,576	424
<b>Total General Government</b>	<b>5,400</b>	<b>9,200</b>	<b>7,011</b>	<b>2,189</b>
<b>Police Services</b>				
Contractual	1,669,350	1,673,550	1,651,701	21,849
Police Station	20,000	23,600	17,672	5,928
Miscellaneous	45,450	33,850	-	33,850
<b>Total Police Services</b>	<b>1,734,800</b>	<b>1,731,000</b>	<b>1,669,373</b>	<b>61,627</b>
<b>Capital Outlay</b>	<b>80,000</b>	<b>80,000</b>	<b>1,712</b>	<b>78,288</b>
<b>Total Expenditures</b>	<b>1,820,200</b>	<b>1,820,200</b>	<b>1,678,096</b>	<b>142,104</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>275,046</b>	<b>275,046</b>
<b>Fund Balance, April 1</b>	<b>1,381,574</b>	<b>1,381,574</b>	<b>1,381,574</b>	<b>-</b>
<b>Fund Balance, March 31</b>	<b>\$ 1,381,574</b>	<b>\$ 1,381,574</b>	<b>\$ 1,656,620</b>	<b>\$ 275,046</b>

**Charter Township of Oakland**  
**Building Fund**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual**  
**Year Ended March 31, 2005**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Revenues</b>				
Charges for services	\$ 1,225,000	\$ 760,000	\$ 744,481	\$ (15,519)
Other revenues	14,000	44,000	40,163	(3,837)
<b>Total Revenues</b>	<b>1,239,000</b>	<b>804,000</b>	<b>784,644</b>	<b>(19,356)</b>
<b>Expenditures</b>				
<b>Building Department</b>				
Salaries	330,000	284,000	275,721	8,279
Plan review services	35,000	10,000	11,637	(1,637)
Office supplies	30,000	15,000	8,544	6,456
Printing and publishing	9,000	7,000	6,683	317
Equipment maintenance	9,000	4,000	1,043	2,957
Education	15,000	15,000	7,636	7,364
Electrical inspections	60,000	50,000	48,970	1,030
Plumbing inspections	50,000	40,000	32,847	7,153
Heating inspections	65,000	50,000	45,707	4,293
Investment fees	-	5,000	4,590	410
Vehicle fuel	19,000	12,000	12,273	(273)
Miscellaneous	6,700	10,700	7,582	3,118
ZBA salaries	15,000	15,000	13,410	1,590
ZBA fee and per diem	6,000	4,000	2,960	1,040
ZBA office supplies	1,000	1,000	-	1,000
ZBA equipment maintenance	500	500	-	500
ZBA education	2,500	1,000	140	860
ZBA miscellaneous	500	500	281	219
<b>Total Building Department</b>	<b>654,200</b>	<b>524,700</b>	<b>480,024</b>	<b>44,676</b>
<b>Other Functions</b>				
Township Board	41,000	29,000	22,973	6,027
Township Supervisor	29,000	29,000	27,677	1,323
Township Clerk	16,800	16,800	15,714	1,086
Township Hall	35,000	49,950	42,127	7,823
Insurance and Bonds	99,000	85,000	74,388	10,612
Retirement Fund	36,000	36,000	34,647	1,353
Social Security	28,000	28,000	25,052	2,948
Engineering Fees	130,000	100,000	82,970	17,030
Miscellaneous	5,000	5,000	5,086	(86)
<b>Total Other Functions</b>	<b>419,800</b>	<b>378,750</b>	<b>330,634</b>	<b>48,116</b>

**Charter Township of Oakland**  
**Building Fund**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual**  
**Year Ended March 31, 2005**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual</i>	<i>Variance With Final Budget - Positive (Negative)</i>
<b>Capital Outlay</b>	165,000	29,550	<b>12,351</b>	17,199
<b>Total Expenditures</b>	1,239,000	933,000	<b>823,009</b>	109,991
<b>Excess of Revenue Over (Under) Expenditures</b>	-	(129,000)	<b>(38,365)</b>	90,635
<b>Other Financing Sources Operating transfers in</b>	-	129,000	-	(129,000)
<b>Net Change in Fund Balance</b>	-	-	<b>(38,365)</b>	(38,365)
<b>Fund Balance, April 1</b>	1,407,338	1,407,338	<b>1,407,338</b>	-
<b>Fund Balance, March 31</b>	\$ 1,407,338	\$ 1,407,338	<b>\$ 1,368,973</b>	\$ (38,365)

# Charter Township of Oakland

## Note to Required Supplemental Information March 31, 2005

### Stewardship, Compliance, and Accountability

Budgetary Information – Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Encumbrances are not included as expenditures. The amount of encumbrances outstanding at March 31, 2005 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

Excess of Expenditures Over Appropriation in Budgeted Funds – During the year, the Township incurred expenditures that were in excess of the amounts budgeted, as follows:

	<i>Budget</i>	<i>Actual</i>
Special Revenue Funds:		
Older Person's Commission Fund		
General government	\$ 600	\$ 913
Culture and recreation	232,519	250,117
Fire Fund		
General government	50,600	57,494

The unfavorable variances were caused by unanticipated expenditures that became necessary during the year.